



American Homeowners  
Grassroots Alliance

*Defending the Interests of 75 Million U.S. Homeowners*

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June 15, 2007

Chairman Kevin Martin  
Commissioners Michael Copps  
Commissioner Jonathan Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert McDowell  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Re: WC Docket No. 07-52

Dear FCC Chairman and Commissioners:

The American Homeowners Grassroots Alliance (AHGA), in protecting this nation's 75 million homeowners, works to advance public policies that promote home ownership and support homeowners. Internet-based technology is of growing importance to homeowners, to our economy, and to the environment.

Today 80% of home buyers use the Internet in their home search process. There is a fast growing U.S. trend towards teleworking – both telecommuting from home and the creation of home-based technology-centric businesses. Homeowners and other consumers are also increasingly using the Internet for everything from paying bills to ordering products and services. The Internet is also an important tool in the K-college educational process. Developments in telemedicine will soon make it possible for homeowners with chronic illnesses to remain in their homes while their health is monitored remotely 24/7 through wireless medical monitoring devices. This will help reduce our nation's spiraling medical costs. Many of these trends are also helping to take many vehicles off the road, lessening pressure on the nation's transportation infrastructure and reducing vehicular pollution and global warming.

For these reasons we commend the FCC for this Notice of Inquiry. AHGA strongly supports the Commission's 2005 Internet Policy Statement containing four principles intended to protect consumers' access to the lawful online content of their choice, and to foster the creation, adoption and use of Internet broadband content, applications, and services. These four principles concisely define the essence of a free, open, and neutral Internet. Assuring that these principles continue to be adhered to through aggressive enforcement when and if necessary is the most important role that the FCC can play in maintaining the vitality and potential of the Internet.

We also commend the FCC for assuring that parties to proposed mergers have recognized and agree to those principles. As the technology and the marketplace changes rapidly it is appropriate that the FCC continue to closely monitor them so as to be prepared to move quickly and forcefully should these principles be violated. It is also appropriate, given the rapid evolution of the Internet/Internet applications, that the FCC continue to solicit public comment on whether expansion or modification of those four principles is necessary to provide the necessary consumer protections in a dynamic Internet environment.

From the perspective of American homeowners, the most serious current challenges regarding the Internet are twofold. The first is ongoing and blatant anticompetitive practices of certain Internet content providers, and the second is the looming capacity challenge being created by the exponential increase in bandwidth demand.

Examples of the former are the U.S. Department of Justice Antitrust Division's current lawsuit against the National Association of Realtors regarding industry rules that limit the Internet dissemination of listings of homes for sale. Both the DoJ and the Federal Trade Commission have also instituted lawsuits against multiple listing services (MLSs) that limit the Internet dissemination of some of their listings of homes for sale. MLSs are local or regionally-based organizations that disseminate databases of homes for sale and are, in most cases, owned and managed by real estate brokers in their area. It is important that the federal and state competition agencies and the FCC, to the extent that it is empowered, fully investigate and aggressively enforce our antitrust and competition laws to stop companies who are currently clearly using their market power to limit competition on the Internet.

It is also important to recognize that there are and will be more battles between corporate giants over Internet consumer mindshare, and that those companies will seek, in the name of consumer protection and network neutrality, to enlist support of federal regulatory bodies in helping them expand their market share. As various business interests have sought to define "network neutrality" from the perspective of their own business interests, the term has come to have very different definitions to different parties. For that reason it no longer has a commonly accepted definition. Rather than trying to serve as an arbitrator for the appropriate definition of "network neutrality", a more constructive role for the FCC and other federal regulatory agencies should be to focus on the best interests of consumers through the consistent enforcement of a comprehensive set of clearly stated principles that protect consumer's interests, regardless of which companies are either benefited or disadvantaged by the FCC's actions.

The exponential increase in bandwidth demand is posing a looming challenge to continued expansion of broadband access and to broadband speed and affordability. By 2010, 20 typical households will generate as much traffic as the entire internet moved in 1995, according to John Chambers, CEO of Cisco. The many new data-rich content sources and applications are greatly benefiting homeowners and other consumers, but they clearly point to the urgent need for new national policies to encourage the expanded capacity, wider availability, and affordability of broadband. Although the rapid expansion of broadband adoption

clearly demonstrates that it continues to provide an increasingly valuable and affordable service to many consumers, there are clearly segments of the population for whom broadband affordability and/or access remains a serious challenge. For these reasons policies should be implemented to help assure that this very rapid and very beneficial expansion of Internet traffic, which some have termed the “exaflood”, does not become a barrier to the continued rapid expansion of broadband access and to broadband speed and affordability..

Ensuring an Internet that can handle the exponential increase in bandwidth demand is essential for American homeowners, our economy and our environment. We believe that Congressional tax incentives or subsidies to underserved consumers and/or to encourage network platform providers, broadband Internet access service providers, other broadband transmission providers, Internet backbone providers, content and application service providers to increase their infrastructure investments will be key to expanding broadband deployment, speed, and affordability. Support for federal research to expand alternative broadband technologies can also increase the number of competitors and allay concerns about market concentration. For its part the FCC should also seek ways within its scope of authority to encourage faster broadband deployment and increase its affordability.

Policymakers should also take aggressive actions to protect privacy, reduce spam, and stave off viruses, worms, or other “hack attacks” that injure consumers, consume bandwidth, and/or disrupt networks and interfere with emergency response. These actions should include stronger criminal penalties and increased enforcement as well as encouraging the development of technologies that offer similar protections.

At the same time, while remaining vigilant in assuring that the four principles contained in the Commission’s 2005 Internet Policy Statement continue to be adhered to, the FCC should be wary in promulgating regulations intended to prevent perceived potential problems that as yet remain hypothetical. The regulatory process is imperfect and well-intended regulations often fall short of their goals, and in some cases can be counterproductive.

Since both are often unavoidable, regulations intended to prevent potential problems that may never materialize could in many cases increase costs to consumers and/or otherwise create more harm than good. In the case of broadband regulations that address problems that do not exist today, the regulations themselves may perversely discourage or foreclose future innovations and capacity investments that benefit consumers without offering offsetting benefits. It would be a loss to consumers if the development of a very useful potential new service or application were unintentionally foreclosed by a regulation intended to stop something very different from occurring. For example, if it were possible for consumers to purchase from their choice of either content or a broadband provider an occasional very high speed download of a movie or other content on an a la carte basis, without having to subscribe to a faster and more expensive broadband service, those consumers would benefit. As long as the broadband access speeds of other consumers were not slowed significantly

by this new service there appears little support for a regulation that would restrict those choices.

The overall vitality and competitiveness of the Internet today is a credit to the FCC's ongoing efforts to develop and assure adherence to the Commissions four principles. We commend you for your work to date and urge the FCC to maintain its vigilance and commitment in the future.

Sincerely,

A handwritten signature in cursive script that reads "Bruce N. Hahn".

Bruce N. Hahn  
President